

CITY OF BISMARCK POLICE PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2006

	August-06				July-06				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Month	Net ROR	Market Value	Allocation	Month	Net ROR	Fiscal YTD	FY06	Ended	Ended
		Actual	Policy			Actual	Policy		Net ROR	Net ROR	6/30/2006	6/30/2006
											Net	Net
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
LA Capital	697,316	3.4%	3.6%	2.14%	683,009	3.3%	3.6%	-3.49%	-1.42%	11.88%	N/A	N/A
Total Structured Growth	697,316	3.4%	3.6%	2.14%	683,009	3.3%	3.6%	-3.49%	-1.42%	11.88%	12.99%	0.19%
Russell 1000 Growth				3.12%				-1.90%	1.16%	6.12%	8.34%	-0.77%
<i>Structured Value</i>												
LSV	748,788	3.6%	3.6%	0.85%	743,002	3.6%	3.6%	1.80%	2.66%	15.93%	21.06%	12.29%
Russell 1000 Value				1.67%				2.43%	4.14%	12.10%	15.70%	6.89%
<i>Enhanced Russell 1000 Index</i>												
LA Capital	907,022	4.4%	4.6%	1.73%	891,964	4.4%	4.6%	-1.13%	0.58%	12.49%	12.73%	3.75%
Russell 1000				2.40%				0.22%	2.62%	9.08%	12.05%	3.12%
<i>Enhanced S&P 500 Index</i>												
Northern Trust	942,156	4.5%	4.6%	2.52%	918,876	4.5%	4.6%	0.84%	3.39%	9.33%	11.32%	2.81%
Westridge	980,882	4.7%	3.6%	2.41%	958,221	4.7%	3.6%	0.65%	3.07%	8.80%	11.46%	2.80%
Wells Capital	464,146	2.2%	2.4%	0.49%	457,368	2.2%	2.4%	-1.02%	-0.53%	N/A	N/A	N/A
Total Enhanced S&P 500 Index	2,387,185	11.5%	10.6%	2.08%	2,334,466	11.4%	10.6%	0.40%	2.48%	8.58%	11.40%	2.76%
S&P 500				2.38%				0.62%	3.01%	8.63%	11.22%	2.49%
<i>S&P 500 Index</i>												
State Street	311,672	1.5%	1.7%	2.07%	305,365	1.5%	1.7%	0.86%	2.94%	9.62%	11.55%	2.70%
S&P 500				2.38%				0.62%	3.01%	8.63%	11.22%	2.49%
TOTAL LARGE CAP DOMESTIC EQUITY	5,051,983	24.3%	24.0%	1.84%	4,957,805	24.3%	24.0%	-0.20%	1.63%	10.93%	13.21%	3.86%
S&P 500				2.38%				0.62%	3.01%	8.63%	11.22%	2.49%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
SEI	1,650,787	8.0%	8.6%	2.34%	1,614,330	7.9%	8.6%	-3.55%	-1.30%	13.56%	18.31%	8.00%
Russell 2000 + 200bp				3.13%				-3.09%	-0.06%	16.86%	21.06%	10.71%
Callan	641,615	3.1%	3.4%	2.42%	626,446	3.1%	3.4%	-4.14%	-1.82%	N/A	N/A	N/A
Russell 2000				2.96%				-3.25%	-0.39%			
TOTAL SMALL CAP DOMESTIC EQUITY	2,292,402	11.0%	12.0%	2.34%	2,240,776	11.0%	12.0%	-3.55%	-1.30%	13.40%	18.25%	7.97%
Russell 2000				2.96%				-3.25%	-0.39%	14.58%	18.70%	8.50%
INTERNATIONAL EQUITY												
<i>Large Cap - Core</i>												
State Street	232,863	1.1%	1.1%	2.71%	226,633	1.1%	1.1%	1.07%	3.81%	27.85%	20.61%	6.87%
MSCI EAFE (1)				2.75%				0.99%	3.77%	26.56%	20.76%	5.94%
<i>Large Cap - Active</i>												
Capital Guardian	692,483	3.3%	3.3%	3.46%	669,522	3.3%	3.3%	0.82%	4.31%	28.01%	21.32%	6.58%
LSV	673,878	3.2%	3.3%	2.94%	655,336	3.2%	3.3%	1.14%	4.11%	27.77%	N/A	N/A
Bank of Ireland	231,195	1.1%	1.1%	4.37%	221,801	1.1%	1.1%	0.46%	4.85%	22.00%	19.16%	N/A
Total Large Cap - Active	1,597,556	7.7%	7.7%	3.37%	1,546,658	7.6%	7.7%	0.90%	4.30%	27.11%	21.84%	7.14%
MSCI EAFE - 50% Hedged				2.93%				0.98%	3.94%	26.72%	22.56%	6.89%
<i>Small Cap - Active</i>												
Lazard	219,704	1.1%	1.1%	3.15%	213,634	1.0%	1.1%	-2.15%	0.92%	25.04%	29.34%	N/A
Wellington	219,931	1.1%	1.1%	2.33%	215,326	1.1%	1.1%	0.23%	2.57%	23.35%	25.26%	N/A
Total Small Cap - Active	439,635	2.1%	2.2%	2.74%	428,960	2.1%	2.2%	-0.97%	1.74%	24.18%	27.28%	N/A
Citigroup Broad Market Index < \$2BN				2.90%				-2.00%	0.84%	29.21%	32.38%	N/A
TOTAL INTERNATIONAL EQUITY	2,270,053	10.9%	11.0%	3.18%	2,202,251	10.8%	11.0%	0.55%	3.74%	26.61%	22.77%	8.74%
MSCI EAFE - 50% Hedged				2.93%				0.98%	3.94%	26.72%	22.56%	6.89%
EMERGING MARKETS EQUITY												
<i>Core</i>												
JP Morgan	115,864	0.6%	0.5%	3.63%	112,211	0.5%	0.5%	1.75%	5.45%	N/A	N/A	N/A
PanAgora	99,454	0.5%	0.0%	2.26%	97,215	0.5%	0.0%	2.17%	4.48%	N/A	N/A	N/A
WestLB	101,007	0.5%	0.0%	1.37%	99,792	0.5%	0.0%	1.42%	2.82%	N/A	N/A	N/A
UBS	179,328	0.9%	0.9%	2.30%	175,176	0.9%	0.9%	1.71%	4.05%	N/A	N/A	N/A
Total Core	495,653	2.4%	1.9%	2.41%	484,393	2.4%	1.9%	1.76%	4.22%	35.59%	32.44%	18.61%
MSCI Emerging Markets				2.60%				1.50%	4.13%	35.91%	22.39%	12.89%
<i>Small Cap</i>												
DFA	108,861	0.5%	0.6%	3.39%	105,206	0.5%	0.6%	2.22%	5.69%	N/A	N/A	N/A
MSCI Emerging Markets				2.60%				1.50%	4.13%			
TOTAL EMERGING MARKETS EQUITY	604,513	2.9%	3.0%	2.59%	589,598	2.9%	3.0%	1.84%	4.48%	34.40%	32.05%	18.40%
MSCI Emerging Markets				2.60%				1.50%	4.13%	35.91%	34.76%	21.54%
DOMESTIC FIXED INCOME												
<i>Core Bond</i>												
Western Asset	600,960	2.9%	2.9%	1.73%	590,421	2.9%	2.9%	1.56%	3.32%	-1.15%	2.65%	5.96%
Lehman Aggregate				1.53%				1.35%	2.90%	-0.81%	2.05%	4.97%
<i>Index</i>												
Bank of ND	1,182,112	5.7%	6.1%	1.54%	1,164,243	5.7%	6.1%	1.25%	2.80%	-1.37%	1.53%	5.24%
Total Index	1,182,112	5.7%	6.1%	1.54%	1,164,243	5.7%	6.1%	1.25%	2.80%	-0.69%	2.10%	5.27%
Lehman Gov/Credit				1.58%				1.30%	2.90%	-1.52%	1.60%	5.13%
<i>Convertibles</i>												
TCW	552,079	2.7%	2.9%	1.83%	541,221	2.6%	2.9%	-0.54%	1.29%	4.54%	6.78%	1.15%
Merrill Lynch All Convertibles				1.35%				0.23%	1.58%	9.37%	8.01%	4.94%

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	August-06				July-06				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Month	Net ROR	Market Value	Allocation	Month	Net ROR	Fiscal YTD	FY06	Ended	Ended
		Actual	Policy			Actual	Policy		Net ROR	Net ROR	6/30/2006	6/30/2006
											Net	Net
BBB Average Quality												
Wells Capital	591,101	2.8%	2.9%	1.95%	579,860	2.8%	2.9%	1.52%	3.50%	-2.70%	3.36%	5.51%
Lehman BBB				2.02%				1.58%	3.63%	-2.37%	2.39%	6.10%
Private Debt												
Prudential	600,510	2.9%	2.9%	1.47%	591,681	2.9%	2.9%	1.39%	2.89%	-0.13%	N/A	N/A
Lehman Aggregate				1.53%				1.35%	2.90%	-0.81%	N/A	N/A
Timberland												
RMK	458,314	2.2%	2.2%	-0.06%	458,314	2.2%	2.2%	-0.06%	-0.12%	-1.44%	7.62%	N/A
TIR	960,089	4.6%	4.6%	-0.04%	960,266	4.7%	4.7%	-0.03%	-0.07%	13.53%	N/A	N/A
Total Timberland	1,418,402	6.8%	6.8%	-0.05%	1,418,579	6.9%	6.9%	-0.04%	-0.09%	9.43%	20.37%	N/A
NCREIF Timberland Index				1.15%				1.15%	2.31%	19.69%	13.94%	N/A
TOTAL DOMESTIC FIXED INCOME	4,945,166	23.8%	24.5%	1.17%	4,886,006	23.9%	24.5%	0.73%	1.91%	3.12%	8.91%	8.14%
Lehman Aggregate				1.53%				1.35%	2.90%	-0.81%	2.05%	4.97%
HIGH YIELD BONDS												
Core												
Loomis Sayles	528,233	2.5%	2.5%	1.89%	519,464	2.5%	2.5%	1.52%	3.44%	4.74%	N/A	N/A
Sutter/Wells Capital	523,924	2.5%	2.5%	1.12%	520,580	2.5%	2.5%	0.92%	2.05%	4.70%	N/A	N/A
Total Core	1,052,158	5.1%	5.0%	1.50%	1,040,044	5.1%	5.0%	1.22%	2.74%	4.72%	5.70%	3.38%
LB High Yield 2% Issuer Constrained Index				1.48%				0.86%	2.35%	4.38%	N/A	N/A
Mezzanine Debt												
Goldman Sachs	5,088	0.0%	0.0%	0.00%	5,088	0.0%	0.0%	0.00%	0.00%	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	1,057,245	5.1%	5.0%	1.50%	1,045,132	5.1%	5.0%	1.21%	2.73%	4.72%	8.34%	7.47%
LB High Yield 2% Issuer Constrained Index				1.48%				0.86%	2.35%	4.38%	8.48%	8.60%
INTERNATIONAL FIXED INCOME												
International Sovereign												
UBS Global (Brinson)	944,227	4.5%	4.5%	0.05%	943,504	4.6%	4.5%	0.43%	0.48%	0.13%	5.24%	9.99%
Citigroup Non-US Gov't Bond Index (2)				0.79%				0.69%	1.49%	-0.11%	5.01%	9.58%
International Core												
Brandywine	964,210	4.6%	4.5%	0.70%	958,295	4.7%	4.5%	1.52%	2.24%	3.89%	8.39%	N/A
Lehman Global Aggregate (ex-US)				0.92%				0.77%	1.70%	3.83%	5.69%	N/A
TOTAL INTERNATIONAL FIXED INCOME	1,908,437	9.2%	9.0%	0.38%	1,901,799	9.3%	9.0%	0.98%	1.36%	2.01%	6.82%	10.91%
Citigroup Non-US Gov't Bond Index (2)				0.79%				0.69%	1.49%	0.00%	5.05%	9.60%
REAL ESTATE												
INVESCO	851,417			0.00%	862,451			0.00%	0.00%	23.84%	N/A	N/A
J.P. Morgan Strategic & Special Funds	869,497			1.59%	855,889			1.31%	2.92%	21.05%	17.14%	12.52%
J.P. Morgan Alternative Property Fund	193,163			0.00%	193,163			0.00%	0.00%	N/A	N/A	N/A
TOTAL REAL ESTATE	1,914,077	9.2%	8.5%	0.71%	1,911,503	9.4%	8.5%	0.59%	1.31%	22.09%	17.14%	12.52%
NCREIF TOTAL INDEX				1.32%				1.32%	2.66%	18.22%	15.63%	12.19%
ALTERNATIVE INVESTMENTS												
Coral Partners V	30,010			0.00%	30,321			0.00%	0.00%	8.74%	-15.32%	-24.06%
Coral Partners V - Supplemental	2,725			0.00%	2,753			0.00%	0.00%	10.53%	10.33%	N/A
Coral Partners VI	42,267			0.00%	42,705			0.00%	0.00%	-6.22%	-10.14%	N/A
Brinson 1998 Partnership Fund	8,052			0.00%	8,136			0.00%	0.00%	16.52%	15.11%	1.97%
Brinson 1999 Partnership Fund	14,382			0.00%	14,531			0.00%	0.00%	14.27%	12.72%	-1.26%
Brinson 2000 Partnership Fund	34,457			0.00%	42,982			0.00%	0.00%	28.22%	17.90%	3.70%
Brinson 2001 Partnership Fund	24,118			0.00%	24,368			0.00%	0.00%	19.85%	9.95%	3.22%
Brinson 2002 Partnership Fund	14,507			0.00%	16,419			0.00%	0.00%	32.42%	13.22%	N/A
Brinson 2003 Partnership Fund	3,937			0.00%	3,978			0.00%	0.00%	25.48%	6.77%	N/A
Brinson 1999 Non-US Partnership Fund	5,886			0.00%	7,436			0.00%	0.00%	40.48%	30.98%	18.60%
Brinson 2000 Non-US Partnership Fund	10,302			0.00%	8,409			0.00%	0.00%	35.03%	21.65%	13.01%
Brinson 2001 Non-US Partnership Fund	12,961			0.00%	12,208			0.00%	0.00%	27.25%	17.46%	8.96%
Brinson 2002 Non-US Partnership Fund	17,411			0.00%	16,981			0.00%	0.00%	38.11%	22.66%	N/A
Brinson 2003 Non-US Partnership Fund	14,161			0.00%	9,764			0.00%	0.00%	31.08%	8.89%	N/A
Brinson 2004 Non-US Partnership Fund	4,179			0.00%	4,255			0.00%	0.00%	24.56%	N/A	N/A
Brinson BVCF IV	58,434			0.00%	54,042			0.00%	0.00%	31.35%	19.07%	0.41%
Matlin Patterson Global Opportunities	40,406			0.00%	43,212			0.00%	0.00%	-11.68%	26.48%	N/A
Matlin Patterson Global Opportunities II	74,317			0.00%	74,556			0.00%	0.00%	-0.85%	N/A	N/A
InvestAmerica	12,895			0.00%	13,029			0.00%	0.00%	0.00%	-9.20%	N/A
Hearthstone MSII	2,302			0.00%	0			0.00%	0.00%	-100.00%	-100.00%	-100.00%
Hearthstone MSIII	11,678			0.00%	11,800			0.00%	0.00%	59.61%	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (3)	439,388	2.1%	3.0%	0.00%	441,885	2.2%	3.0%	0.00%	0.00%	11.08%	11.81%	-2.11%
CASH EQUIVALENTS												
Northern Trust STIF/STEP	269,451	1.3%	0.0%	0.46%	255,812	1.3%	0.0%	0.30%	0.76%	4.31%	2.64%	2.41%
90 Day T-Bill				0.44%				0.42%	0.87%	4.00%	2.37%	2.25%
TOTAL FUND	20,752,716	100.0%	100.0%	1.58%	20,432,566	100.0%	100.0%	0.04%	1.63%	10.18%	13.18%	7.21%
POLICY TARGET BENCHMARK				1.85%				0.35%	2.20%	7.37%	9.97%	5.73%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.